Mr. Barry Wood
Assessment Director
Department of Local Government
100 N Senate Ave
Rm N1058
Indianapolis, IN 46204

Re: Submittal of Hamilton County Ratio & Equalization Study 2017 pay 2018

The attached excel files depict our ratio statistics per township and by property classes. The first sheet is a summary of each Township's parcel count, COD, PRD, and Median. The additional sheets are by property classes with detailed data and multi-parcel sales.

We are submitting our **2017pay 2018** worksheet values of all parcels for the County in the format you directed. We are also attaching an excel file of sale parcels from 01/01/2016 to 12/31/2016 that were changed and the reason they were changed.

We collapsed all commercial property classes to arrive at a sufficient sample size for those townships with to few sales to analyze. **For 2016 we did not have enough Industrial vacant and improved sales to provide an accurate analysis.**

In Hamilton County we have several homogeneous neighborhoods that have the same or similar lot sizes and the same builder with three or four floor plans that sell for or close to the same amount and this has caused our COD to fall below 5 in some for these neighborhoods.

Once again Hamilton County experienced tremendous growth for 2017 pay 2018 with new splits, plats and new construction. Due to this growth we have taxing districts that increased or decreased in assessed value substantially. We have attached a list of the areas that experienced this along with an explanation as to why the values changed so much.

Hamilton County completed our trending in house with no outside vendor. The ratio and equalization was completed in house as well. Hamilton County utilizes SPSS software (with the assistance of Bob Denne) to run statistical analyses on all parcel data to ensure that we are assessing property within State guidelines.

Narrative of Hamilton County's Trending Procedures

Residential:

Hamilton County had sufficient sales in the time period of **01/01/2016 to 12/31/16** in a majority of neighborhoods to trend residential properties for the **2017 pay 2018** tax year. No time adjustment was necessary since we only used one year of sales. There are some neighborhoods that did not have enough sales to establish trending factors. We combined

neighborhoods where we could. We also utilized our previous year's appeals in those neighborhoods that we experienced a larger number of appeals in. If all avenues were applied and we still did not have enough data to arrive at a trending factor, we did not change the neighborhood.

Step one: We captured all vacant land sales that now have subsequent improvements to ensure we were using all possible sales. Per 50 IAC 14, we ran ratios of vacant land sales to establish base rates by neighborhood in all townships. If warranted, base rates and or excess rates were changed. We saw very little change in land values, so most base rates stayed at their 2015 rates.

Step Two: We captured all multiple parcel sales and summed the totals of all parcels land and improvement value to ensure we were using all possible sales. Per 50 IAC 14, we ran ratios of residential improved sales by neighborhood in all townships to define any problem areas.   If warranted we stratified any neighborhoods that were falling outside the requirements either by age, story height, square foot, etc. We applied a neighborhood factor adjustment if warranted. Then we re-ran ratios to ensure that we were within the guidelines. In neighborhoods with less than 5 sales, the trending factor was not changed.

Step Three: We ran ratios by township by class to ensure that our changes were within the guidelines. Any change in neighborhoods that are adjacent to township lines were also reviewed to ensure all properties were being treated the same in those adjoining neighborhoods.

<u>Commercial & Industrial:</u>

In establishing values for the 2017 commercial/industrial trending, the starting point was using the Real Property Assessment Guidelines and updated depreciation tables provided by the Department of Local Government and Finance to establish improvement value. Land values for the 2017 commercial/industrial trending continue to be based upon the 2016 Land Order. With the 2016 Land Order, land neighborhoods were delineated first based upon a segmentation of use and then in consideration of geographical location within the county. These revised neighborhoods helped with the trending process by making it easier to compare like property sales with their assessments. Assessed values were compared with actual sales to determine ratios. Income and expense data was also used to help establish values along with the cost approach on various income producing property types. Income and expense data was compiled from online sources and/or acquired during the appeal process. Capitalization rates used in the income approach are also reviewed. Cap rate trends are tracked through the year using multiple agencies such as Integra, CBRE, and RERC along with calculating our own when the data is available. Co-Star, LoopNet and other Listing/Sales web site are also utilized to follow how certain properties types are listed and sold. This is all done through our Commercial/Industrial Team to establish values representative of market value-in-use. Having a Commercial/Industrial Team allows us to have people that specialize in only

commercial/industrial properties. All these aspects allows us to have an understanding of the commercial/industrial market and assist us in establishing a representative value for our commercial/industrial properties.

Cyclical Reassessment:

Hamilton County successfully completed the physical inspection and data entry of 25% of all property classes for year three of the cyclical reassessment. We will begin the physical inspection for year four on May 1, 2017.

The following are data stats for Hamilton County to aid you in your analysis:

Total Parcel Count: **126,447**

There were **2975** new parcels created by either the **174** new plats or the **135** splits recorded. There were **347** parcels deleted either by new plats or combinations recorded.

Total Valid and Invalid Sales Disclosures submitted for **01/01/16** through **12/31/16**: **11,322**

Total number of **01-01-16**through **12-31-16** sales used: **8,702**

Any questions, please contact myself or Kim Powell.

Sincerely,

Robin Ward
Hamilton County Assessor
317-776-9668

Townships with 10% or more difference in AV		
Washington Residential Vacant	1165 new parcels	105% increase
Noblesville Commerical Improved	2 new apartment complexes and new car dealership	10% increase
Wayne Industrial Improved	Parcels and buildings combined	10% increase
Clay Residential Vacant	499 new parcels	22% increase
Delaware Commercial Vacant	20 parcels from developer's discount to priced because of permit being taken out	38% increase
Delaware Residential Vacant	12 parcels from developer's discount to priced because of permit being taken out	18% increase
Fall Creek Residential Vacant	615 new parcels	41% increase
Fall Creek Commercial Vacant	22 new parcels	41% increase
Fall Creek Industrial Vacant	Split	74% decrease
Wayne Residential Vacant	124 new parcels	44% increase
Wayne Commercial Vacant	1 new parcel	32% increase
Noblesville Residential Vacant	389 new parcels	21% increase
Noblesville Commercial Vacant	12 new parcels and 3 removed from developer's discount	28% increase
Washington Commercial Vacant	8 new parcels	35% increase
Washington Residential Improved	102 new dwellings	11% increase